

Rebecca Evans AS/MS
Y Gweinidog Cyllid a Llywodraeth Leol
Minister for Finance and Local Government



Llywodraeth Cymru
Welsh Government

John Griffiths MS
Chair, Local Government and Housing Committee

27 February 2023

Dear John,

Further to my letter on 15th November 2022 in relation to the consideration the Local Government and Housing Committee have given to the establishment of Corporate Joint Committees (“CJCs”), you will wish to note I have today issued the attached Written Statement.

It updates the Senedd that the Secretary State for Wales has laid the Local Government and Elections (Wales) Act 2021 (Corporate Joint Committees) (Consequential Amendments) Order 2023 before Parliament. The Order will amend UK legislation to provide for various technical changes to UK legislation necessary to support CJCs, including in relation to their taxation status and borrowing powers.

These changes will address key operational issues for CJCs which I know were raised with your committee. As I set out in my statement, subject to Parliamentary approval these changes will be made by the end of the current financial year and will enable regional colleagues to plan with confidence for the next financial year.

I will of course continue to engage closely with each CJC to explore how the Welsh Government can continue to support their ongoing implementation.

Yours sincerely,

A handwritten signature in black ink that reads "Rebecca Evans". The signature is written in a cursive style.

Rebecca Evans AS/MS
Y Gweinidog Cyllid a Llywodraeth Leol
Minister for Finance and Local Government

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.



Llywodraeth Cymru
Welsh Government

WRITTEN STATEMENT BY THE WELSH GOVERNMENT

TITLE **Amendments to UK Government legislation to support Corporate Joint Committees**

DATE **27 February 2023**

BY **Rebecca Evans MS, Minister for Finance and Local Government**

The Local Government and Elections (Wales) Act 2021 provides for the establishment of Corporate Joint Committees (CJCs). These enable and support the delivery of important, specific local government functions at a regional scale where it makes sense to do so.

A small number of outstanding technical issues emerged during implementation of these CJCs, including their taxation status.

When issues arising from Senedd legislation require amendments to UK wide legislation beyond the Senedd's legislative competence, an Order under section 150 'Power to make consequential provision' of the Government of Wales Act 2006 can be developed in partnership with the Westminster Government.

The Secretary State for Wales has laid the Local Government and Elections (Wales) Act 2021 (Corporate Joint Committees) (Consequential Amendments) Order 2023 before the UK Parliament. This Order, if approved, will provide for technical amendments to the following UK legislation to add CJCs to their definitions of local authorities or to the list of bodies encompassed by provision:

- Corporation Tax Act 2010 and Income Tax Act 2007 - which means a CJC will not be liable to pay corporation tax, tax in respect of its income, or chargeable gains tax, in the same way as any local authority in the United Kingdom is not liable to pay these taxes.
- National Loans Act 1968 – which extends HM Treasury's power to provide loans to CJCs out of the National Loans Fund in the same way that it can provide loans to local authorities.

- Local Government Act 1972 – which means that a CJC is able to pay money owed to a deceased member of staff without requiring a grant of probate or letters of administration, in the same way as a local authority can.
- Redundancy Payments (Continuity of Employment in Local Government, etc.) (Modification) Order 1999 – which will support the smooth transition and continuity of employment between CJsCs and principal councils.
- Local Government Pension Scheme Regulations 2013 – which ensures the four CJsCs become scheme members and their employees are automatically admitted to the Local Government Pension Schemes.

Subject to Parliamentary approval of this Order, these changes will be made by the end of the current financial year.

An Order to admit the four Corporate Joint Committees into the VAT refund scheme came into force on 9th February. CJsCs can now receive a refund of the eligible VAT they incur in the same way as local authorities can.

These changes resolve key remaining operational issues for CJsCs and will enable regional colleagues to plan with confidence for the next financial year. This will support partners to deliver their regional ambitions, develop successful regional economies, and encourage local growth via the CJsCs.